LED Trends

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July 18, 2012



LEDs at The Home Depot



PHILIPS



LightingScience^{*}





- Available for sale since 2009
- Now offer 104 LED options in-store and on-line
- Key to success is commitment to quality and partnering with worldclass manufacturers
 - Conduct thorough quality testing on all LED skus
 - Mandate participation in Lighting Facts program
 - Product must meet our customer's expectations



Recent Price Changes







Philips 12.5W LED A19

Ecosmart 6" LED Downlight

Ecosmart LED PAR38

2011 Retail: \$39.97

2011 Retail: \$49.97

2011 Retail: \$44.97

2012 Retail: \$24.97

2012 Retail: \$39.97

2012 Retail: \$36.97

-37%

-20%

-18%

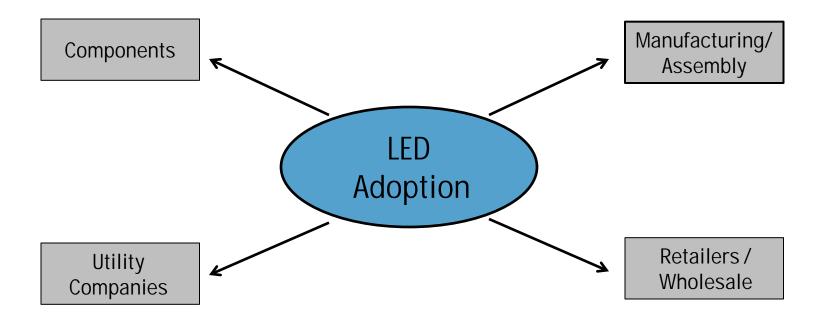


LED Performance & Price Sensitivity



- *Sample basket of 6 LED skus
- No surprises customers have responded to lower prices
- Continue to monitor at what price points LED sales move from early adopters to mass consumer segment

Keys to Future LED Pricing



- Further adoption dependent on actions of four key groups
- Product quality AND affordable pricing will determine speed of adoption – price is only one piece to the puzzle